Accordingly, no matter what the import of *Freedom Card* turns out to be in the Third Circuit, there continues to be a sharp split in the Circuits on how to assess a fundamental issue that is critical to nearly every trademark infringement case — the issue of whether an accused infringer has acted in bad faith. Nothing Respondents say in their Brief in Opposition changes that, and this Court needs to weigh in and restore order in the Circuits on this issue.

III. Notwithstanding Respondents' Argument, There Remains A Split In The Second Circuit On How To Assess Bad Faith In A Trademark Infringement Case

Star's Petition also points out that there is even a split within the Second Circuit itself on the issue of what standard should be used for measuring intent or bad faith in a trademark infringement case. Star pointed out that although the Second Circuit in the instant action found that bad faith requires a showing of deliberate intent, in *International Star Class Yacht Racing Ass'n v. Tommy Hilfiger, U.S.A., Inc.*, 80 F.3d 749 (2d Cir. 1996), the Second Circuit held that in assessing whether a defendant acted willfully, a showing of willful disregard or willful ignorance is sufficient. Specifically, the Second Circuit found that a defendant's "willful ignorance" in engaging in "minimal efforts to ascertain whether [the mark it adopted] was, in fact, a trademark" constituted bad faith. *Hilfiger*, 80 F.3d at 753.

In their Brief in Opposition, Respondents argue that *Hilfiger* is distinguishable from the decision below, and there is no split within the Second Circuit, because *Hilfiger* was decided in the context of assessing a monetary award, whereas the Court below was analyzing confusion in an effort to determine liability. That is indeed true. However, no case

in the Second Circuit has ever held that the willfulness analysis in *Hilfiger* is to be applied only in the damages context, and indeed, as is typical in trademark infringement cases, the District Court and the Second Circuit in *Hilfiger* made no separate analysis of the willfulness issue in considering whether Hilfiger had acted in bad faith for confusion purposes, as opposed to whether Hilfiger had acted willfully for purposes of determining whether to make a monetary award. In other words, the same willfulness analysis employed for purposes of determining likelihood of confusion was used in determining whether to award profits in *Hilfiger*. Further, courts in the Second Circuit have applied the *Hilfiger* standard for determining willfulness in assessing bad faith as part of the likelihood of confusion analysis. *See, e.g., First Jewellery Co. of Canada, Inc. v. Internet Shopping Network LLC*, No. 99 Civ. 11239, 2001 WL 122171 at *5 (S.D.N.Y. Feb. 1, 2000); *Cache, Inc. v. M.Z. Berger & Co.*, No. 99 Civ. 12320, 2001 WL 38283 at *11 (S.D.N.Y. Jan. 16, 2001) (both applying the standard in *Hilfiger* in the context of analyzing the bad faith confusion factor for purposes of determining liability for trademark infringement). As explained in the Petition, the bottom line is that there remains a split even within the Second Circuit on the question of how a party's level of willfulness (*i.e.*, bad faith) is measured in a trademark infringement case, which also needs to be addressed by the Court.

CONCLUSION

For the foregoing reasons, and those set forth in the Petition, Star's Petition for Writ of Certiorari should be granted.

Respectfully submitted,

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